

A Healthy Virginia

Health Care Report



September 8, 2014

A Healthy Virginia

September 1, 2014

Dear Governor McAuliffe:

On June 20, 2014, you directed me to develop a plan to move health care forward in Virginia. Accordingly, I submit to you *A Healthy Virginia*, a 10-point action plan that extends the promise of health care to more Virginians and pushes Virginia further toward innovative solutions.

I have worked with Virginia's federal partners and health care stakeholders to identify some of the most pressing needs of the Commonwealth. These needs include strengthening coverage and access for children, veterans, and pregnant women; capitalizing on innovation opportunities; and optimizing the often fragmented systems of care that are currently in place.

Another issue, however, colors all of these initiatives, both directly and indirectly: mental health. As both a physician and your health and human resources secretary, I recognize that health and mental health are inextricably linked. The urgency of the need for accessible mental health care for Virginians cannot be ignored even in the absence of Medicaid expansion. *A Healthy Virginia* expands coverage to uninsured Virginians with acute mental health needs so that all Virginians can live, work, learn, parent, and participate fully in our great Commonwealth.

These initiatives are no substitute for Medicaid expansion. The need in our Commonwealth is great. Hundreds of thousands of our own citizens will continue to go without access to affordable health care until we close the coverage gap. This report introduces the initial critical steps that we can take to increase coverage, but it is only the beginning.

I also remain cognizant of the economic implications of a plan that does not include the federal funding that would accompany an expansion of Medicaid. As we implement *A Healthy Virginia*, I will continue to work with any and all willing leaders to develop solutions to bring our Virginia tax dollars back into the Commonwealth and close our coverage gap.

Sincerely,

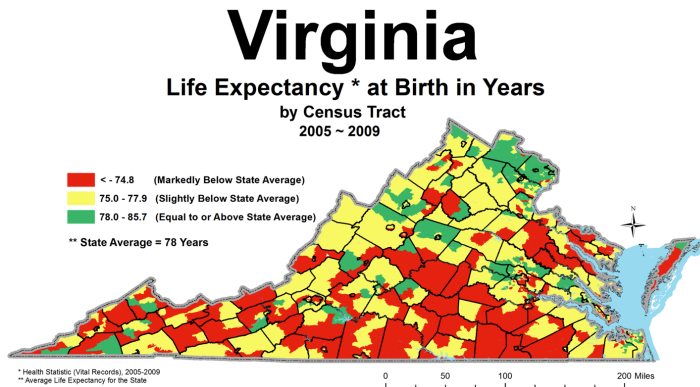
William A. Hazel, Jr., M.D.

A Healthy Virginia

Foreword

Our nation is in the midst of a health care transformation. Millions of people are obtaining insurance and access to care for the first time. Hospitals and providers are rethinking how they measure success, not based on the number of tests performed but on the number of human lives made whole.

In this exciting new world of health care, Virginia has become the ER waiting room. We are watching from behind a Plexiglass window as other states push down their uninsured rates. In Arkansas, the uninsured rate dropped more than 10 percentage points this year, to 12.4 percent. Next door in Kentucky, the rate dropped 8.5 percentage points to 11.9 percent. Meanwhile, Virginia's rate bumped up slightly to 13.4 percent.

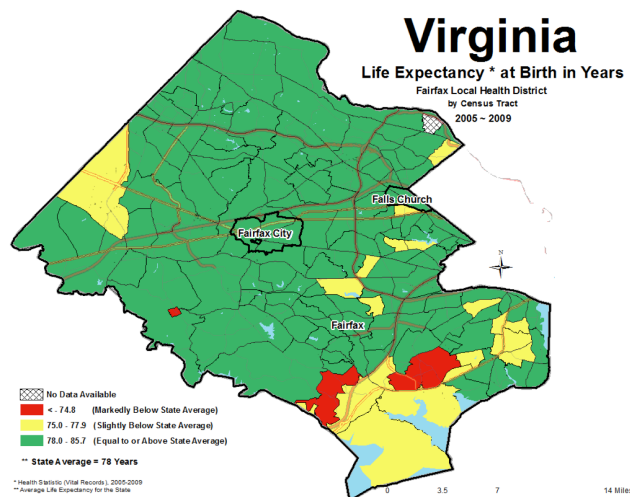


We're watching as hospitals across the country see declines in unpaid medical bills – nearly a third among Arizona hospitals, a drop of \$76 million in the first quarter of this year. In Virginia, one rural hospital has closed and other communities are praying they won't experience the same devastating loss.

Virginia's waiting room is filling up with uninsured men and women struggling with chronic diseases and relentless pain as years creep by without relief. They are still waiting for the doors to swing open and their names to be called. The misery is not spread evenly across the Commonwealth. A male resident of Fairfax County is likely to live nearly 9 more years than a man in Wise County. But even within the state's healthiest locality, life expectancy varies dramatically depending on the neighborhood.

These disparities are driven by poverty, education, race, and ultimately by the availability or lack of access to health care. The results are unacceptable.

Emporia's age-adjusted death rate for cancer, heart disease, and stroke, at 793 per 100,000 people, is more than three times that of Fairfax County. A map showing death rates across Virginia is strikingly similar to a state map of uninsured rates.

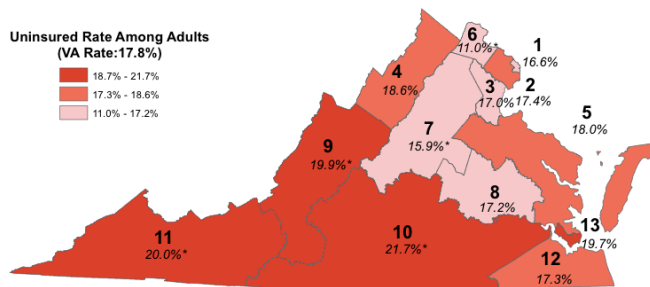


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We are deeply concerned not just about when people die, but how well they live.

Two months ago, you instructed me to provide recommendations on how to move forward with

Map 2: Uninsured Rate Among Adults (19-64) in Virginia by Area¹, 2012



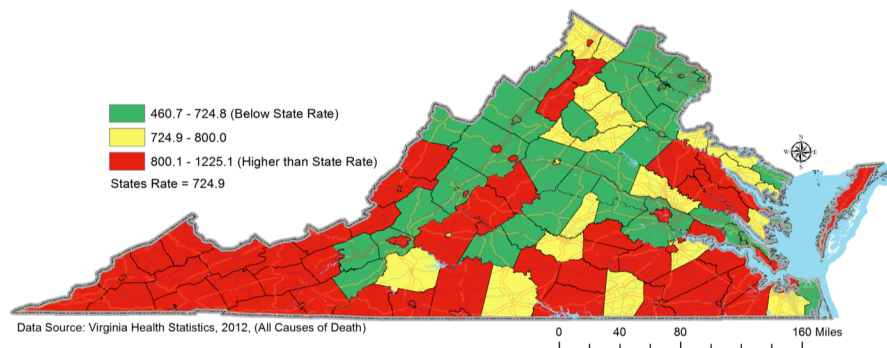
Source: Urban Institute, May 2014. Based on the 2012 American Community Survey (ACS) data from the Integrated Public Use Microdata Series (IPUMS) of the Minnesota Population Center.
1 Shaded areas represent regions of Virginia which are defined in terms of counties or a combination of counties (see "Guide to Regions in Virginia").
Notes: The estimates reflect Urban Institute adjustments for potential misreporting of coverage, based on a simulation model developed by Victoria Lynch under a grant from the Robert Wood Johnson Foundation.
* Indicates that the uninsured rate for the region is statistically different from the uninsured rate for the areas in the rest of the state at the 0.1 level.

improvements to health care in Virginia. You urged me to be bold and transformative. I now present *A Healthy Virginia*, a plan for better health care in the Commonwealth. Through existing sources of coverage that are available but underutilized, *A Healthy Virginia* reaches outward and extends a hand to those who already qualify for certain health care programs but have not yet accessed them. It offers services that have previously been unavailable to Virginians who have been left behind, especially Virginians who struggle

with severe mental illness. It improves the quality of care for Virginians by leveraging federal dollars and support for innovations in Medicaid and across the entire health system. Finally, it addresses a major public health issue facing Virginia and the nation—prescription drug and heroin abuse.

Taken together, these initiatives will have a positive impact on the health of more than 200,000

Virginians. This plan not only extends the promise of health care to more Virginians, but also brings the Commonwealth closer to lasting transformation in the health care system. **This plan will reach more people in need by:**



- Providing medical and behavioral health services for uninsured people who have a serious mental illness.
- Promoting the availability of Family Access to Medical Insurance Security (FAMIS) and FAMIS Plus insurance for children, with the first major media and outreach campaign in years.

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- Taking an active role in this fall's open enrollment period for the Federal Marketplace through an intensive educational outreach and active assistance to our citizens as they navigate the Federal Marketplace.
- Enhancing the Cover Virginia point of entry for health care programs available to Virginians.
- Eliminating a technical barrier that now prevents eligible state employees from enrolling their children in FAMIS.

This plan will improve access to health care by:

- Providing dental services to low-income pregnant women to improve overall health outcomes for mothers and their newborn children.
- Becoming a stronger partner with the Veterans Health Administration to make sure that Virginia's veterans are receiving quality care in a timely manner.

This plan will pursue innovative solutions to health challenges by:

- Promoting regional models for health care delivery designed to provide better care at a lower cost.
- Pursuing health homes for individuals with mental illnesses through a collaborative system of primary, acute, behavioral and long-term services.
- Collaborating on strategies to reduce the number of deaths in Virginia due to overdose of prescription painkillers and heroin.

This plan must be recognized for what it is, and what it is not. It is an exercise in triage, a series of important measures designed to respond to the health care crisis that exists in the Commonwealth. It has a strong focus on expanding care for Virginians with severe mental illness to improve their health, quality of life and job security. It is also focused on making sure Virginians know what health care options are available to them and getting them enrolled in coverage that is currently available. And it pushes Virginia toward further reform and innovation.

This plan is not a comprehensive cure, nor is it a substitute for a full expansion of Medicaid in accordance with the Affordable Care Act. It contains significant reforms that help to deliver better care more efficiently to some, but not all, Virginians. While expanding the Medicaid program using federal funds is the most comprehensive and straightforward way to increase access to care, *A Healthy Virginia* offers hope to many Virginians who need it most. These recommendations fall within our legal boundaries, but we cannot forget our commitment to the Virginians who are still in the waiting room. This plan is a bridge to true reform. The larger goal will take time and courage.

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We cannot take on that long-term goal or these more immediate measures alone. The heroic efforts of Teresa Gardner and Paula Meade with the Health Wagon, of Terry Dickinson and his army of kind-hearted dentists, of Stan Brock and his roving rural medical clinics aren't enough, either. We need hospitals, community clinics, schools, medical providers and every Virginian to join us in breaking down the barriers to quality health care.

We all want to live long and live well. That is the goal for every Virginian.

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Reaching More People in Need

The Governor's Access Plan for Medical and Behavioral Health Services Reaching Virginia's Uninsured with Serious Mental Illness

Importance to Virginians

Based on national prevalence rates, it is estimated that about 308,000 Virginia adults have had a serious mental illness (SMI) during the past year. This means that more than 6 percent of Virginians suffered a severe functional impairment as a result of SMI. About 54,000 of those with SMI are uninsured in Virginia and face profound difficulty in finding treatment.

Without treatment, SMI impacts every aspect of an individual's life; those with SMI are often unnecessarily hospitalized, are unable to find and sustain employment, struggle with housing, and suffer from social isolation. The physical health implications for those with SMI are alarming. Nearly half of individuals with SMI also have a co-occurring substance use disorder and face increased risk for medical conditions such as diabetes, heart disease and obesity. As a result, individuals with SMI die an average of 25 years earlier than those without.

The tragedy is that mental health disorders, substance use disorders, and the most common related medical conditions are all highly treatable. Effective treatment is available, and people do recover.

Enabling persons with serious mental illness to access both behavioral health and primary medical services would enhance, and in many cases, initiate the treatment of both conditions, allow care to be coordinated among all providers, and significantly decrease the level of impairment. This kind of care can be life-changing. With treatment, individuals with serious mental illness and related medical conditions can recover and live, work, parent, learn and participate fully in the community.

Goals

Virginia is launching a program to integrate primary and specialty care; diagnostic, laboratory, pharmacy and behavioral health community services and care coordination for Virginia's uninsured with SMI. This will provide access to treatment to many Virginians with SMI, reduce the frequency of emergency department visits and inpatient hospitalizations, and reduce overall health care costs.

The three key goals of the demonstration are to:

- Improve access to care for up to 20,000 uninsured Virginians with significant behavioral health needs.
- Improve physical and behavioral health outcomes.
- Serve as a bridge to closing the coverage gap for uninsured Virginians with serious mental illness.

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Issue Background

Virginia has partnered with Magellan of Virginia since December 2013 to monitor and coordinate nontraditional behavioral health services (those expanded services available through Medicaid). Virginia and Magellan work together to coordinate medical and behavioral health care services for the individuals they both serve. This program will require coordination among the Department of Medical Assistance Services (DMAS), the Department of Behavioral Health and Developmental Services (DBHDS), health care partners, the behavioral health provider community, and Magellan. All of these providers and organizations are well-equipped to extend a coordinated service delivery system to Virginians with SMI.

Strategies for Success

Virginia will leverage this established infrastructure to implement the Governor's Access Plan (GAP) for Medical and Behavioral Health Services. Through the GAP Program, DMAS will partner with providers and Magellan of Virginia to coordinate and deliver a focused benefit package that includes primary, specialty, behavioral health, and substance abuse services for people who are uninsured and have a SMI. This program will leverage relationships with many community services boards and Federally Qualified Health Centers across Virginia. Based on available data detailing the number of uninsured adults in Virginia, it is estimated that up to 20,000 individuals may be served through this initiative.

This program will be a state-designed and administered program and not an expansion of Medicaid. Individuals will be referred to the program from a variety of sources, including community services boards, community mental health providers, medical providers, community organizations, law enforcement and hospitals.

The Governor's Access Plan for Medical and Behavioral Health Services will include the following features:

- The program will be available to individuals who have SMI.
- Eligibility and enrollment will be administered through private contractors who already contract with DMAS.
- Through a Section 1115 Waiver, DMAS will provide a limited benefit package of primary and specialty care; diagnostic, laboratory, pharmacy and behavioral health community services and care coordination.
- The demonstration will not pay for services beyond the limited benefit package. Services not covered by the program include (but are not limited to) inpatient, emergency, home health, nursing home, long-term care, routine dental, transportation or routine optometry services.
- This program will be administered by DMAS.
- This two-year program will run from January 2015 to January 2017 or until the coverage gap is closed.

Eligibility for participation in the program will be for individuals who:

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- Are between the ages 19 through 64 years old;
- Are citizens or lawfully residing immigrants;
- Are not eligible for Medicaid, FAMIS, or Medicare;
- Are residents of Virginia;
- Have household incomes below 100 percent of the federal poverty level;
- Are uninsured;
- Are screened and within the criteria for having an SMI; and
- Are not residing in a long-term care, mental health, or penal institution.

Timeline

In late summer and fall of 2014, Virginia will develop a Section 1115 waiver proposal, receive public comments, and gain approval from the Centers for Medicare and Medicaid Services. The Governor's Access Plan will be developed during this time, and in January 2015, Virginia will begin screening and enrolling participants. Delivery of the benefit package of medical and behavioral health services is expected to begin in February 2015.

Measures of Achievement

Success will be measured by the number of uninsured individuals who were able to access care through this demonstration project and by the quality of their care, as measured by Healthcare Effectiveness Data and Information Set (HEDIS) quality measures. Virginia will report on outcomes and goals as required by the waiver. In addition, regular reports will be submitted to the Governor and the Virginia General Assembly on participation, costs, outcomes, and trends.

Covering our Children Reaching More Children through Medicaid and FAMIS

Importance to Virginia

Early attention to wellness is crucial to ensuring that Virginia's children have the opportunity to become successful as adults. The promotion of good health enables parents and providers to identify medical conditions and developmental delays and seek interventions before those conditions hinder physical, social, emotional, and cognitive growth.

A lack of emphasis on health at an early age continues to impact individuals, families, and communities throughout a person's life. Lack of access to routine preventive care can contribute to missed school days and reduced academic proficiency. In addition to their effect on educational achievement, undetected medical conditions can lead to chronic diseases and ultimately, reduced productivity in the workplace. The negative consequences affect not only a community's economy, but its overall health. The failure to immunize children at the appropriate age, for example, can lead to the spread of infectious diseases.

We know the terrible consequences of neglecting children's health, yet Virginia is falling behind in providing insurance coverage for our youth.

Based on 2012 data, the Urban Institute reports that 87.5 percent of eligible children in Virginia are enrolled in the Family Access to Medical Insurance Security (FAMIS) plan or Medicaid (also referred to as FAMIS Plus). This is just below the national average of 88.1 percent and substantially below the level of many neighboring states with participation rates of 90 percent and higher, including: West Virginia (91.1 percent), Maryland (91.9 percent), Kentucky (90.2 percent), Tennessee (90.3 percent), and Washington D.C. (97.1 percent). Data for 2014 are already demonstrating that in states that have expanded Medicaid, the number of already eligible children who are being enrolled is growing faster than in states that did not expand. Unless we act, more and more children eligible for FAMIS and Medicaid today will go without health care.

Goal

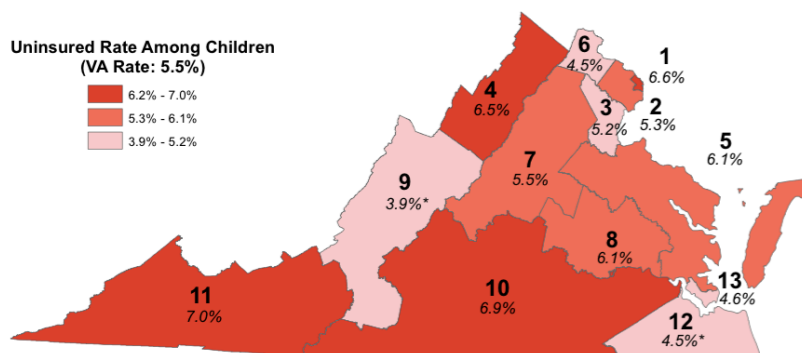
Virginia needs to turn this disturbing trend around. In the next two years, we will enroll an additional 35,000 eligible children into these programs. While that will not mean every eligible child in Virginia will be enrolled, it will halt the recent decline, and by the end of 2016, Virginia should have more than 90 percent of our eligible children enrolled, as many neighboring states do today.

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Issue Background

Virginia currently covers approximately 580,000 children each month in FAMIS or Medicaid, but there are still more than 100,000 uninsured children across the Commonwealth. The majority of

Map 3: Uninsured Rate Among Children (0-18) in Virginia by Area¹, 2012



Source: Urban Institute, May 2014. Based on the 2012 American Community Survey (ACS) data from the Integrated Public Use Microdata Series (IPUMS) of the Minnesota Population Center.
1 Shaded areas represent regions of Virginia which are defined in terms of counties or a combination of counties (see "Guide to Regions in Virginia").
Notes: The estimates reflect Urban Institute adjustments for potential misreporting of coverage, based on a simulation model developed by Victoria Lynch under a grant from the Robert Wood Johnson Foundation.
* indicates that the uninsured rate for the region is statistically different from the uninsured rate for the areas in the rest of the state at the 0.1 level.

these uninsured children are likely to already qualify for coverage in FAMIS or Medicaid, but their parents are unaware, believe the application process is too difficult, or are reluctant to apply.

When former Governor Mark Warner made enrollment of eligible children a high priority, Virginia was able to simplify the program,

conduct an effective public outreach campaign, and train and support local outreach workers. As a result, we saw dramatic improvement in the number of Virginia's children with coverage.

In recent years, support for outreach and marketing of FAMIS and Medicaid in Virginia has been significantly curtailed, and we are seeing the negative effect as growth has slowed and now reversed.

Following years of almost uninterrupted growth since the FAMIS program was created in 1998, the average monthly enrollment of children in FAMIS and Medicaid has declined. The number of children eligible for these programs, however, has not. On average, almost 4,000 fewer children were receiving health care coverage through these programs each month in FY 2014 compared to FY 2013. This means too many children who could get coverage today are going without.

Strategies for Success

Virginia will mount an aggressive campaign to reach the parents of children who are eligible but not yet enrolled and help get them covered. Marketing research shows that reaching the parents of the remaining uninsured children will require aggressive and varied strategies. Virginia can get many more of our children covered by combining traditional media advertising with social media, additional outreach workers, and attendance at community events and health fairs. Virginia will also

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place more emphasis on contacts with hard-to-reach populations, in addition to making policy and systems improvements.

Investments will be made in new materials, TV and radio advertisements, and people in the community who can directly help families enroll. We will place a special emphasis on outreach to non-English speaking parents, as children in these families have a lower rate of insurance even when they are eligible. In addition to doing a better job of informing parents, the Commonwealth will be examining our policies and improving our systems to continue making it easier for the families of these eligible children to apply and be approved.

Timeline

Virginia launched its marketing and outreach efforts during this year's back-to-school season. We will continue to ramp up marketing and media during the coming months.

Measures of Achievement

By the end of 2016, 35,000 more of Virginia's children will have access to vital wellness and health care services. DMAS will provide a monthly enrollment update to track the progress of this initiative.

Supporting Enrollment in the Federal Marketplace

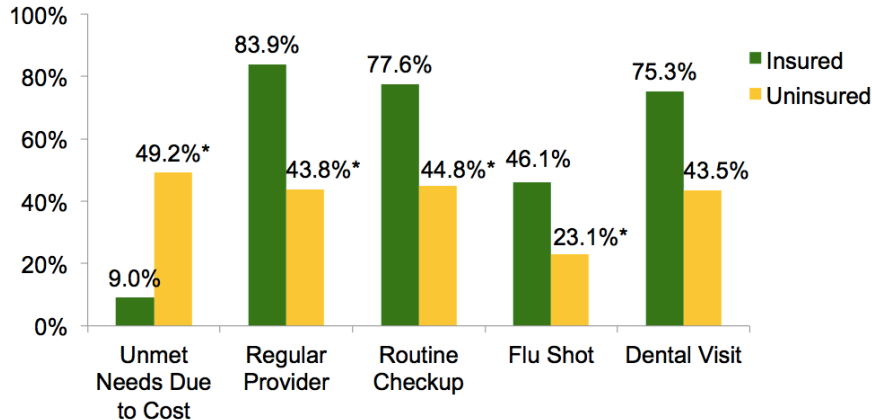
Reaching More Virginians during Open Enrollment

Importance to Virginians

This fall's upcoming open enrollment period for the Federal Health Insurance Marketplace offers a crucial opportunity to help Virginians obtain affordable, high-quality coverage and to demonstrate the need that exists across the Commonwealth for basic medical services.

Last fall's open enrollment period for the Federal Marketplace demonstrated the depth and urgency of the need that exists across the Commonwealth for access to health care. Though the previous administration did not actively engage in public education or outreach efforts during the initial

Uninsured adults in Virginia are more likely than insured adults to have unmet needs and less likely to receive preventive care



*Note: Adults are age 19-64. Measures refer to access or utilization over the past 12 months. Estimates marked with * indicate the difference between the insured and uninsured estimates is significant at the .01 percent level.*

Source: Urban Institute, April 2014. Based on the 2012 Behavioral Risk Factor Surveillance System.

enrollment period, 216,000 eligible Virginians were reported to have purchased new plans via the Federal Marketplace in 2013-2014. Many potential consumers, however, remain uninsured. As we approach the next open enrollment, more than 300,000 Virginians are estimated to have no health insurance but are eligible for tax

credits on the Federal Marketplace.

During this fall's open enrollment period for the Federal Marketplace, the Commonwealth is committed to a more aggressive approach to ensure that Virginians have the help they need to find the most appropriate and cost-effective health insurance plans available at healthcare.gov. Consumer education about the Federal Marketplace, as well as an enhanced network of consumer application assistance, will help thousands of Virginians to obtain insurance for the first time.

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Goal

Over the next year, up to 160,000 additional Virginians will sign up for coverage through the Federal Marketplace.

Issue Background

Health insurance marketplaces are designed to help consumers access diverse and affordable options for health care coverage. As a partnership state, Virginia does not operate a state-based health insurance marketplace but works with the federal government on certain functions of the Federal Marketplace. Tax credits are available in the Federal Marketplace to eligible individuals and families with incomes between 100 and 400 percent of the federal poverty level (\$11,670 to \$46,680 annually for an individual).

In 2013, Virginia was awarded a \$4.3 million federal grant to begin building a state-based health insurance marketplace. Virginia opted not to move forward with plans for its own marketplace, leaving the federal grant funds unspent. Rather than return the grant award, Virginia has obtained permission from CMS to use the funds for outreach and enrollment activities supporting the Federal Marketplace.

Strategies for Success

The strategies of this effort are twofold: to enhance available consumer application assistance in Virginia and to engage in a marketing campaign that will educate consumers about insurance options.

- **Consumer assistance.** Virginia will partner with the Virginia Poverty Law Center (VPLC) to enhance an existing network of consumer assistance for the 2014-15 Federal Marketplace enrollment period. VPLC was one of two designated Navigator organizations in Virginia during the initial open enrollment period, and its leadership possesses the knowledge and experience to take on this new challenge. VPLC will recruit and train local organizations throughout Virginia, building a robust network of volunteer Certified Application Counselors to help consumers with the often complex process of applying for health care coverage.
- **Public education and marketing.** During the previous administration, Virginia did not provide state-specific marketing or outreach about the marketplace to potential consumers. This communication vacuum posed a particular challenge in border areas of the Commonwealth where Virginians were exposed to sometimes confusing information about health care initiatives in neighboring jurisdictions. For the upcoming open enrollment period, a significant educational campaign about the Federal Marketplace and affordable coverage will be developed that will speak directly to Virginians.

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Timeline

Prior to the November 15 start date of the open enrollment period, VPLC will begin active recruitment and training of certified application counselor organizations and individuals. VPLC will continue to support enrollment activities during and following the sign-up period. The marketing campaign will begin in November and intensify during early 2015.

Measures of Achievement

A successful enrollment campaign will be measured by the number of eligible Virginians who gain health insurance coverage through the Federal Marketplace and the impact on the state's uninsured rate. We seek to help enroll up to 160,000 additional Virginians through the Federal Marketplace.

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Informing Virginians of their Health Care Options

Reaching more Virginians through Cover Virginia

Importance to Virginians

As evidenced by last fall's federal open enrollment period, applying for health coverage can prove a complex, even overwhelming, experience. People often experienced significant delays when they applied to programs for which they were not eligible. As a state, Virginia wants to ensure that people obtain coverage as expeditiously as possible. The application process is made much simpler if Virginians are guided to the right coverage option for them initially. This expedites processing of applications and makes the process move as smoothly as possible. To meet this need, Virginia is relaunching the central resource that helps individuals identify the health insurance program for which they are most likely to be eligible: the Cover Virginia website (coverva.org), as well as an accompanying call center.

Goal

Cover Virginia is currently a helpful source of information for uninsured Virginians seeking access to health care coverage. With such great unmet need in the Commonwealth, however, Virginia is making significant enhancements to the website to make it even more user-friendly and approachable. Virginia will ensure that the Cover Virginia website contains the most relevant health care information for Virginians, including the full range of options for those seeking coverage and services, and helps direct individuals to apply for their best coverage option.

Issue Background

Virginia launched the Cover Virginia website in October 2013. It offers basic information about FAMIS and Medicaid programs as well as resources for individuals trying to navigate all the new options available through the Affordable Care Act. Since the website launched, more than 220,000 visitors have accessed the site. In 2014, the number of visits per week increased to nearly 5,000. Many Virginians who could benefit from the information on the website, however, remain unaware of this resource.

Strategies for Success

In order to make it easier for Virginians to connect with the programs and services for which they qualify, the Commonwealth will provide additional education and links on the coverva.org website for the following insurance options:

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- **Federal Health Insurance Marketplace.** The website will include direct access to the Federal Marketplace to expedite enrollment during the second open enrollment.
- **Department of Veterans Affairs.** The website will include information for veterans about available health benefits and how they can sign up for VA health care if they qualify.
- **The Virginia Chamber of Commerce's Virginia Benefits Market.** Coverva.org will promote other health insurance options, including the Virginia Chamber of Commerce's new private health insurance marketplace, the Virginia Benefits Market. This insurance exchange will allow small businesses to offer a menu of health and other benefits to their employees.
- **CommonHelp (www.commonhelp.virginia.gov).** The website will direct Virginians interested in applying for Medicaid, FAMIS, and other public benefits to the streamlined, online application found on CommonHelp.

To best serve Virginians, the following enhancements to the site will be completed before the next Federal Marketplace open enrollment, beginning November 15, 2014.

- Develop an enhanced eligibility calculator to help users find the right health programs for themselves and their families.
- Provide prominent links on the Cover Virginia home page to guide users toward the appropriate health care programs for children and youth, adults, pregnant women, veterans and business owners.
- Include a prominent link to resources for one-on-one assistance for individuals needing help with applications.

Timeline

The initiatives mentioned above will be implemented by the November 15, 2014, open enrollment start date.

Measures of Achievement

Marketing and outreach staff at DMAS will use Google Analytics tools to monitor the online access habits of visitors to the Cover Virginia website. To measure the success of the enhancements, staff will set up analytics to measure the number of individual hits for websites including the Federal Marketplace, CommonHelp, Department of Veterans Affairs, and the Chamber's Virginia Benefits Market.

Making Dependent Coverage Affordable for Lower-Income State Employees Reaching More Children through FAMIS

Importance to Virginians

State employees may cover their dependent children through their employee health insurance, but for many families this is not an affordable option. Employees who choose this option face an increase in their insurance premium contributions of approximately \$100 to \$200 per month. Even with the most comprehensive coverage, employees must also make copays of up to \$40 for doctor visits. Virginia's state workforce includes a sizeable number of lower-income employees. Last year, more than 9,600 full-time state employees qualified for the Earned Income Tax Credit, a federal tax subsidy for lower-income working families. These health care premiums and copays represent a significant reduction in take home pay for many state workers. Some may be forced to opt for employee-only coverage; others may struggle to pay for rent or other necessities because of the additional cost for their children's insurance.

Goal

Virginia's FAMIS program provides affordable, comprehensive health coverage at a very low cost to qualifying families. Under existing Virginia policy, dependents of state employees who are eligible to enroll in the state's health plan may not receive coverage through FAMIS. We are eliminating this restriction, and by the end of 2014, new qualifying state employees will be allowed to enroll their dependent children in affordable health coverage through FAMIS. Abolishing this restriction will:

- Increase health insurance coverage for low-income children.
- Lower costs for the Commonwealth by leveraging federal funds available through FAMIS for those employees who choose to switch their children's coverage.
- Help hard-working state employees whose salaries have not kept up with the cost of living by offering a low-cost, quality health insurance option for their children.

Issue Background

Prior to the Affordable Care Act, federal law prohibited dependents of public employees from enrolling in the state's child health insurance program, known as FAMIS in Virginia. Now, states can receive federal approval from CMS to enroll children of eligible state employees in these programs as long as the state meets certain requirements.

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Strategy for Success

By opening FAMIS to children of state workers, we can improve access to affordable, high-quality, comprehensive health care for children of lower-income state employees. A mother with one child may be eligible to enroll her son or daughter in FAMIS if the family's gross monthly income is no more than \$31,460 annually. DMAS estimates that approximately 5 percent of state workers will be eligible. Assuming each of these state employees has an average of one child, 5,000 children could be covered.

Timeline

DMAS is working with the Department of Human Resource Management (DHRM) to seek approval from CMS to offer FAMIS to dependents of state employees. DMAS will work with DHRM to finalize an implementation plan by September 30, 2014. New eligible Virginia state employees will be able to begin enrolling their children in FAMIS in January 2015. Current employees eligible for FAMIS will be able to select this coverage during open enrollment in July 2015.

Measures of Achievement

Success will be measured by the number of state employee children who were previously uninsured but were able to obtain coverage through FAMIS, and by the state dollars saved by providing this new option.

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Improving Access to Care

Providing Comprehensive Dental Coverage to Pregnant Women in Medicaid and FAMIS

Improving Access to Oral Health Care

Importance to Virginians

Good oral health is especially crucial during pregnancy. Virginia covers pregnant women in the Medicaid and FAMIS MOMS programs; however, the health needs of these women and their babies are not entirely addressed. Comprehensive dental services are not covered for pregnant women in the existing benefit package. Virginia mothers and their babies are at risk for significant health problems including preterm birth.

Goal

By providing a new dental benefit to women enrolled in Medicaid and FAMIS MOMS, Virginia will reduce the number of preterm births, cut down on emergency dental expenditures, decrease the state's cost of dental care for children, and improve the lives of these babies.

Issue Background

Currently, Virginia has 45,000 pregnant women enrolled in Medicaid and FAMIS MOMS. Without access to comprehensive dental care, these women risk having dental health issues go undiagnosed and untreated, needlessly putting their unborn babies in jeopardy. A pregnant woman's oral health is linked to her delivery, her baby's health, and even the costs to Virginia's Medicaid and FAMIS programs.

Pregnant women with periodontal disease may be up to eight times more likely to deliver prematurely. In fact, data has shown that 18 percent of all preterm births may be attributable to periodontal disease. Premature birth can cause a host of health problems for both mother and baby. It can also be the source of significant cost to the Commonwealth, as the costs in the first year of life for a preterm baby are more than 10 times that of a baby born at full term. According to the March of Dimes, an average preterm birth costs \$50,000 in the first year of life.

The results of a lack of dental care for pregnant women extend beyond early delivery. Mothers can spread oral bacteria to their babies, putting those infants at risk of developing tooth decay themselves.

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Strategy for Success

DMAS will implement comprehensive dental coverage for pregnant women in Medicaid and FAMIS MOMS.

Timeline

Virginia will begin covering comprehensive dental benefits to pregnant women in March 2015.

Measures of Achievement

Virginia will monitor the number of pregnant women who receive dental services under this new benefit.

Prioritizing the Health of Virginia's Veterans Accelerating Veterans' Access to Care

Importance to Virginians

Since 2001, about 2.5 million U.S. troops have been deployed to Iraq or Afghanistan. More than 6,000 men and women have given their lives and more than 48,000 have been injured. Virginia has the honor of having the largest increase in its veteran population of any state since 2000. Much of this trend is driven by younger veterans of recent conflicts.

One in 10 Virginians is a veteran. The Commonwealth should help ensure a smooth transition when these men and women are ready to return to civilian life. This is even more important now as the numbers of veterans continue to grow in Virginia and drawdowns of troops from Afghanistan continue. Virginia must begin by meeting their most basic need—the need for timely, quality health care.

Unfortunately, over the last few months, reports have surfaced about weaknesses in the Veterans Affairs health care system—veterans waiting for appointments much longer than they should be and facing difficulty in accessing important services. A recent report showed that Virginia is last in the nation when it comes to the ratio of VA health facilities to veterans, at only 0.3 facilities per 10,000 veterans. Some veterans in Virginia are still waiting more than 60 days to get a primary care appointment at the VA. However, Virginia is not interested in casting blame on the VA. The responsibility of caring for veterans' health needs should not be the VA's to carry alone. Instead, Virginia is committed to working together as partners with the VA to find solutions.

Goal

All of Virginia's veterans should have access to timely, quality health care. Over the next 12 months, Virginia will aim to increase access to care for veterans across the Commonwealth by promoting partnerships with the VA and private health providers.

Issue Background

On August 7, 2014, President Obama signed into law a measure that will provide \$16.4 billion in new funding to the VA system. The legislation directs \$10 billion in emergency spending over three years to the VA to pay private providers to care for veterans who have been unable to schedule timely appointments at the VA or live too far away from a VA hospital or clinic.

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Strategies for Success

In the next 60 days, Virginia will host leaders from the Veterans Health Administration in Virginia and hospital/health system leaders to explore ways they can work together to improve timely access to quality care for veterans. There will be a special focus on meeting specific needs for services that veterans have difficulty accessing. In areas where the VA system has robust resources, strategies will be examined for increasing veteran referrals and encouraging regular visits with medical providers. Also, Virginia will explore ways to improve health information technology connectivity between the VA system and private systems so that care can be better coordinated and enhanced.

Timeline

The summit will lead to a clear action plan for how Virginia's hospitals and provider community can work together with the VA system to improve care for veterans.

Measures of Achievement

The ultimate goal is to decrease veteran waiting times for appointments at the VA and identify access to alternative providers of care, when needed and appropriate. We are committed to ensuring that veterans across the Commonwealth have access to high-quality, long-term care and will continue to support construction of veteran care centers in Hampton Roads and Northern Virginia. The number of new partnerships facilitated between community providers and the VA will be an interim measure of success in achieving these goals.

A Healthy Virginia

A Healthy Virginia
Pursuing Innovative Solutions

Winning a State Innovation Model Grant Seizing Opportunity to Transform Health Care Delivery

Importance to Virginians

Now is the time for innovation and transformation in health care. Promising models are being tested across the country. The Affordable Care Act has created new opportunities to bring more health innovation to Virginia, including support through new federal dollars. Since 2010, the federal government has awarded more than \$575 million to 25 states. Prior to this year, Virginia had not even applied for this funding. The Commonwealth should take advantage of every opportunity to leverage these federal resources and transform our health care system to be more effective and less costly for all Virginians.

This administration is committed to improving the health of all Virginians. We must start by focusing on those who are most vulnerable and have no access to health care because they are uninsured. By reaching this population, Virginia will make the greatest impact on our state's overall health indicators and help those who need it most. But we should not stop there. We will strive to create meaningful transformation across every sector of our health care delivery system in the Commonwealth by also enhancing the quality and value of care for those who are covered now through private insurance, Medicare, Medicaid and FAMIS.

Goal

Virginia seeks to transform its health care delivery system to provide better care at lower costs. Virginia can achieve this through engaging a broad array of stakeholders, strengthening public-private collaborations, and aligning incentives to promote quality and value in a person-centered, integrated framework.

Issue Background

CMS provides support to states for the development and testing of models for health care delivery system transformation. This is known as the State Innovation Model (SIM) grant program. In this year's round of funding, CMS will award up to 15 states a maximum of \$3 million apiece to design new health system innovation plans over a one-year project planning period.

Strategies for Success

In July, Virginia applied for \$2.6 million in federal funding through the CMS State Innovation Model grant program. If funded, this grant would promote public and private collaboration, led by the Virginia Center for Health Innovation (www.vahealthinnovation.org), which will lead to meaningful

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delivery system transformation in the Commonwealth. Virginia would receive both financial and technical support to convene stakeholders, enhance regional and statewide coordination, and develop tools and innovative strategies that lead to improved quality and reduced cost across every sector of the health system. We will set population health goals related to reducing cardiovascular disease and diabetes and lowering rates of tobacco use and obesity. We will focus on primary care transformation and delivering integrated care models that integrate behavioral health and oral health with primary care.

This grant award will enable Virginia to realize a broad vision for statewide health care transformation that improves the health of all Virginians while building a more robust behavioral health infrastructure to care for individuals living with mental illness and substance use disorders.

Timeline

Virginia submitted the grant proposal in July, and it is currently undergoing a competitive review process. CMS has said it expects to announce which states will be funded by October 31, 2014. If funded, the grant would run from January 1, 2015 through January 1, 2016.

Measures of Success

Success will be measured by the development of a robust and actionable plan for health innovation in Virginia that has the support of key stakeholders. The ultimate goal is to implement the plan and improve health outcomes through lasting systems change that benefits not only the uninsured, but also those Virginians covered by Medicaid, FAMIS, Medicare, Marketplace health plans, employer-based, and private health plans.

Creating Behavioral Health Homes Strengthening Virginia's Behavioral Health System through Innovation

Importance to Virginians

Half of all individuals who are intensive users of the health care system have a behavioral health diagnosis. This means that in addition to their physical health needs, these individuals also require a level of care to meet their mental health needs. Many medical providers, however, often lack specialized experience to treat mental health conditions. As a result, adults and children who live with serious mental health conditions have difficulty obtaining timely, high-quality care.

Many seek help in emergency departments, often resulting in fragmented care that triages one problem at a time. Social factors such as poverty, transportation limitations, and homelessness place additional strain on overall health. Further complicating the picture is the fact that nearly 50 percent of individuals with an SMI also have a substance use disorder. It's not surprising, then, that Medicaid costs for individuals with both a chronic physical health disease and mental health diagnosis are 75 percent higher than those for people without a mental health diagnosis.

Goal

DMAS, in collaboration with the Department of Behavioral Health and Developmental Services, will establish health homes to coordinate care for adults and children who are insured through Medicaid and who have a serious mental illness or a serious emotional disturbance. These health homes will adopt a "whole person" philosophy for treatment that calls for team-based care of all primary, acute, behavioral health, substance abuse, and long-term services. Virginia will use health homes to enhance the treatment of both mental and physical health conditions and significantly decrease the level of impairment experienced by these individuals. This program could help up to 13,000 individuals in Virginia with serious mental illness.

Issue Background

The earliest effort to coordinate care for Virginians with SMI began in 2009. A New Lease on Life, a project of the Virginia Health Care Foundation, awarded \$2 million to nine partnerships, each one comprised of a community services board (CSB) and either a Free Clinic or a community health center. The funding, distributed over three years, was used to support new providers and clinical staff. Those partnerships are now self-sustaining.

A second program, Enhanced Care Coordination (ECC), is a collaboration involving DMAS, CSBs, CMS and three managed care organizations as part of the Commonwealth Coordinated Care Program. The program is designed for individuals with an SMI and one or more chronic medical conditions who are eligible for both Medicare and Medicaid. ECC staff provides support to these

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individuals by arranging transportation, accompanying them to primary care appointments, and assisting them to adhere to recommended treatments.

While these efforts and others in local communities are ongoing, they do not serve the entire eligible population of adults with SMI or children with serious emotional disturbances. The Affordable Care Act created an optional Medicaid benefit for states to establish health homes to improve care for adults and children with significant behavioral health needs. Health homes are not physical spaces, but refer to a model of care in which all an individual's primary, acute, behavioral health and long-term services are coordinated and integrated. Participating states can receive a federal financial match of approximately 90 percent for Medicaid administrative expenditures over 24 months (note this enhanced financial match, however, does not apply to covered treatment services).

Strategies for Success

DMAS is creating the Behavioral Health Home Pilot project to deliver integrated health home support for individuals who are in managed care or who are in the fee-for service delivery system. DMAS plans to partner with one or more health plans, CSBs, Federally Qualified Health Centers (FQHCs), Magellan of Virginia, and other key stakeholders to implement the project. The pilot project is designed to meet individuals where they are. This may include bringing primary care services on site at behavioral health clinics. Individuals eligible for the pilot would be automatically enrolled, with the opportunity for them to opt out if they did not want to participate.

Features of this pilot project will include:

- A focus on prevention and early intervention.
- Facilitation of joint treatment planning sessions among providers.
- Strategies to close gaps in care and address societal factors that discourage individuals from seeking medical services.
- Robust use of care management, outreach and community services.
- Carefully managed transitions in care and medications.
- Peer support specialists for assistance with social and lifestyle changes.
- Coordination of care through use of technology to share critical health information.
- Use of data to better understand health care needs.

Timeline

Virginia will phase in implementation of health homes, beginning July 1, 2015, in Southwest Virginia. In the Southwest, primary and specialty health care is limited and difficult to access, and the need for more intensive substance abuse treatment is urgent due to the high incidence of addiction to prescription pain medications.

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Measures of Achievement

States that offer health homes are required to report to CMS on hospital readmission rates, measures of chronic disease management, assessment of quality improvements and clinical outcomes, and estimates of cost savings. Virginia will adopt those measures to determine the success of the Behavioral Health Home Pilot project.

Reducing Prescription Drug and Heroin Abuse Stemming a Devastating Proliferation of Substance Abuse

Importance to Virginia

Across the country, more people now die from drug overdose each year than are killed in motor vehicle accidents or gun violence. In 2013, more than 900 Virginians died from an overdose. A majority of those deaths were related to prescription painkillers, while heroin-related deaths in Virginia nearly doubled from 2011 to 2013. The situation is especially dire in Southwest Virginia, where death from drug overdose has reached epidemic proportions. Central and eastern Virginia have the highest number of fatal heroin overdoses.

If we do not take action now to address prescription drug and heroin addiction in Virginia, the cost to the Commonwealth in health care, law enforcement, and most importantly, in lives lost, will continue to rise.

Goal

Virginia aims to significantly reduce the number of deaths in Virginia due to prescription painkillers and heroin.

Issue Background

The Centers for Disease Control and Prevention have identified a growing, deadly epidemic of prescription painkiller (opioid) abuse across the country. The rate of death from overdoses of prescription opioids in the U.S. more than quadrupled between 1999 and 2010.

Every day, more than 50 Americans die from overdosing on these drugs. In recent years, there has been a related surge in heroin use as people who are addicted to opioids turn to heroin, which is less expensive and easier to get. Although the overall rate of drug-induced death in Virginia is lower than the national average, sparsely populated Southwest Virginia has been disproportionately affected.

The region is home to only 1 percent of the state population, yet the Virginia State Police spent 25 percent of statewide drug investigation funds there. In Wise County, nearly 70 percent of the total police caseload is directly related to drug abuse.

The rates of emergency room visits and treatment admissions related to prescription drugs have risen dramatically, inflating health care costs for all of us at a time when we can least afford it.

Strategies for Success

Virginia has identified a number of action items, based on evidence of what has worked in other states, that the Governor can push forward immediately through executive action. This includes the

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creation of a Task Force to Combat Prescription Drug and Heroin Abuse to assist the Governor in driving a coordinated, statewide effort to reduce drug-related deaths. Strategies will include:

- Educating the public about the dangers of misuse and addiction to prescription drugs.
- Leveraging Virginia's Prescription Monitoring Program to identify emerging trends.
- Educating prescribers on best practices for safe prescribing of opioids and treatment of chronic pain and addiction.
- Expanding methods for safe storage and proper disposal of prescription drugs.
- Working with law enforcement to implement best practices when responding to those with opioid addiction.
- Improving access to substance abuse treatment services.

Timeline

The Task Force will release an implementation plan, including a timeline with milestones and goals for preventing prescription drug and heroin-related deaths. The Task Force will decide and report on specific metrics that will be used to track progress in multiple domains.

Measures of Achievement

The goal is a reduction in the number of deaths due to prescription opioid and heroin abuse, particularly in the regions of the state that are disproportionately affected by these drugs.